



Net Zero Deforestation Zones

Midyear Report FY 2012



CONDESAN
Consejo para el Desarrollo Sostenible
de la Ecorregión Andina



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NZDZ – NET ZERO DEFORESTATION ZONES

Reducing Land-use Emissions
in Amazon Forests (ReLEAF)

Midyear Report
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LIST OF ACRONYMS

AFIMAD	Asociación Forestal Indígena de Madre de Dios
AIDER	Asociación para la Investigación y el Desarrollo Integral
BMP	Best Management Practices
CCBA	Climate, Community and Biodiversity Alliance
CIAM	Amazonian Interregional Council
CIAT	International Center for Tropical Agriculture (Centro Internacional de Agricultura Tropical)
CONDESAN	Consortio para el Desarrollo Sostenible de la Ecorregión Andina
CORPOAMAZONIA	Corporacion para el Desarrollo del Sur de la Amazonia
CWR	Cuyabeno Wildlife Reserve
Ecolex	Corporación de Gestión y Derecho Ambiental
FCCA	Forest, Carbon, Communities Alliance
FCMC	Forest Carbon, Markets and Communities (USAID Initiative)
FN	Fundación Natura
FY	Fiscal Year
GOREMAD	Regional Government of Madre de Dios (Gobierno Regional de Madre de Dios)
ICAA	Initiative for Conservation in the Andean Amazon
MAE	Environmental Ministry Ecuador (Ministerio de Ambiente)
MINAM	Environmental Ministry Peru (Ministerio de Ambiente del Perú)
MRV	Monitoring, Reporting and Verification
NZDZ	Net Zero Deforestation Zones
PNCB	National Program for Forest Conservation and Climate Change Mitigation (MINAM)
RA	Rainforest Alliance
SAN	Sustainable Agriculture Network
SERVAF S.A.	Empresa de Acueducto de Florencia
SES REDD+	Social and Environmental Standards Initiative for REDD+
SINCHI	Instituto Amazónico de Investigaciones Científicas

SPDA	Sociedad Peruana de Derecho Ambiental
TNC	The Nature Conservancy
UGAA	Unidad de Gestión Ambiental y Agropecuaria
USAID	U.S. Agency for International Development
WWF	World Wildlife Fund

1 APPROACH TO COLLABORATION

As outlined in the Net Zero Deforestation Zones (NZDZ) Year 1 work plan, our initiative will closely align our project strategies and activities with The Nature Conservancy (TNC), regional and national government agencies in Colombia, Ecuador, and Peru, the USAID's ICAA Program, and other projects and key stakeholders working within the project's landscapes to ensure that we coordinate efforts, capture synergies, and maximize our collective impact to achieve functional and scalable net-zero deforestation pilot sites, and durable and lasting benefits beyond the life of the project.

We will accomplish such close collaboration through the following means:

- Develop periodic project workplans in coordination with key local stakeholders, including national government ministries, regional, provincial and municipal government agencies, TNC, and other key project partners. As appropriate, we will pursue joint workstreams and action plans to maximize collaboration on key issues.
- Share technical tools and materials, experiences and lessons learned, and strategic approaches to engaging with key stakeholders, as a means to facilitate knowledge-transfer in different regions or when similar activities are implemented for different beneficiaries.
- Convene periodic meetings with key project stakeholders and beneficiaries to monitor project progress, review action plans and agreements, and identify new potential opportunities for collaboration.
- Proactively engage and establish healthy working relationships with national and local governments, including through REDD+ roundtables, to maximize opportunities to transfer our field-based results, tools and lessons learned into regional and national policies.

To date, illustrative examples of the results of this integrated approach to collaboration include:

- Supporting knowledge-transfer, information sharing, and harmonization of activities across the tri-national landscape and with key external stakeholders including the Ecuadorian Ministry of Environment, through hosting a workshop to introduce and identify best management practices for climate change mitigation in agriculture and forestry, held in Quito, Ecuador, in March, 2012.
- Advancing efforts to standardize Monitoring and Measurement, Reporting and Verification (MRV) approaches across the three project landscapes, through preparation and coordination of a tri-national workshop on MRV, to be held in Bogota, Colombia, the week of April 16th-20th.
- Together with TNC and USAID, presenting a unified face of the NZDZ project and activities, through a series of initial outreach meetings with local and national governmental agencies in Colombia, Ecuador and Peru.
- Identifying common areas of collaboration together with TNC, through assessment of our respective work plan and fluid, on-going communication.

These, and other examples of the projects collaborative approach, are expanded upon further in Section 4.

The overall project approach ensures that the activities mentioned in this report for each of the three countries were developed in collaboration with local stakeholder groups and

government (national and local), and that they were designed with built-in knowledge sharing mechanisms that will help transfer experiences between the landscapes so lessons learned truly inform and contribute to advances in each of the other landscapes. We expect that this close coordination and proactive engagement with other key stakeholders will maximize our ability to leverage resources, expand learning, and contribute to program and/or region-wide conservation impacts. Many of the actions and accomplishments described in this mid-year report pertain to our landscapes' collaboration efforts.

2 START-UP PROGRESS AND CHALLENGES

Considerable progress has been made to enable a sound and efficient project start-up phase, including finalization and approval of a robust workplan for year 1 project activities, defining roles, responsibilities and coordination mechanisms with project partners, establishing new offices and staffing-up the project, reaching out to key stakeholders to build sound relationships with external collaborators, and initiating project activities, signaling the transition to implementation.

Primary challenges which have constrained start-up progress include our delayed ability to contract subawardees and consultants due to USAID prior approval requirements under NZDZ and ICAA II, and a sensitive relationship between USAID and the Government of Ecuador, which has impeded our consortium from executing some activities. We will continue to proactively communicate with USAID, government agencies, and other key stakeholders to identify and pursue the most appropriate means to contribute to resolving these challenges.

These and other start-up progress and challenges are described in more detail below.

Work Plan

Progress

- We held a successful planning workshop in Quito, Ecuador, in November. Together with key representatives from all consortium partners as well as multiple Rainforest Alliance (RA) divisions and USAID representatives, we analyzed the primary drivers of deforestation and threats in the project area, identified and planned activities to address these, and mapped all activities to key outputs, outcomes, and results-based indicators in accordance with a landscape-level conceptual modeling methodology. The workshop approach also enhanced the understanding of local partners on how to identify and prioritize activities to undertake in their respective workplans.
- Following USAID' suggestion, and considering that in two countries (Ecuador and Colombia) the geographic areas of intervention are the same, and both initiatives share common objectives and activities, RA and TNC held a series of meetings and arrived at agreements for coordinating our work in terms of approaches and methodologies.
- Subsequent to the planning workshops, we convened several follow-up meetings with TNC to ensure collaboration across both projects and establish joint work streams; conducted field visits to all three landscapes to build upon and refine our draft workplan; and held multiple meetings with regional, national, and local government and civil society stakeholders (e.g. ICAAI Support Unit and ICAA II initiative in Madre de Dios) to refine activities in the three landscapes. Collectively, this work undertaken from November to March substantively improved our work plan.

Challenges

- In the Ecuador landscape in particular, a delay in activity implementation due to the existing political situation has created some uncertainty amongst anticipated project beneficiaries and stakeholders.

Personnel and office support structure

Progress

- The following professionals were hired in Colombia, Ecuador and Peru:
 - Javier Arce, NZDZ Deputy Director (Project Management; RA)
 - Estela Monroy, NZDZ Policy Advisor (Project Management; RA)
 - Christian Velasco, TREES Manager (Ecuador; RA)
 - Soranny Carvajal, Technical and Administrative Director (Colombia; FN)
 - Edwin Hurtado, Field technical leader (Colombia; FN)
 - Javier Trujillo and Eduardo Fuentes, Technical Assistants (Colombia; FN)
 - Carlos Sanchez, Local Coordinator (Peru, AIDER)
- The following positions are under recruitment:
 - Community Forestry Coordinator (Ecuador; RA)
 - Technical Assistant (Ecuador; to be hired by RA or Sucumbios regional government)
- We have established new offices in Quito, Ecuador and Lima, Peru.

Challenges

- The hiring of local NZDZ staff in Peru has been delayed due to the delay in the signing of the sub agreements.
- The project Finance Officer, Maria Mercedes Proaño left RA. A replacement candidate has been identified and will be presented to USAID for approval in the month of April.

Sub agreements and contracts

Progress

- As prior steps to the agreements with the partners of our consortium, the project Finance Officer carried out visits and evaluations partner policies and administrative processes, which concluded in specific requests for improvement and implementation of activities aimed at improving their administrative management.
- Implementation agreements with all partners are close to being finalized and should be so in the month of April.

Challenges

- The inability to formalize sub agreements has caused a delay in implementing project activities principally to a shortage of cash flow. The barrier to sign the agreements was addressed at the end of the reporting period and as mentioned above all agreements should be finalized by the end of April.

Partnership building

Progress

- We held meetings with Tetra Tech ARD, Fundacion Natura Ecuador, and others to explore areas of potential collaboration on REDD+ policy and, more concretely, on enhancing collaboration with broader USAID (e.g. Forest Carbon, Markets and

Communities, FCMC, Silvacarbon, and the US Forest Service) and other donor-funded initiatives.

Consultancies

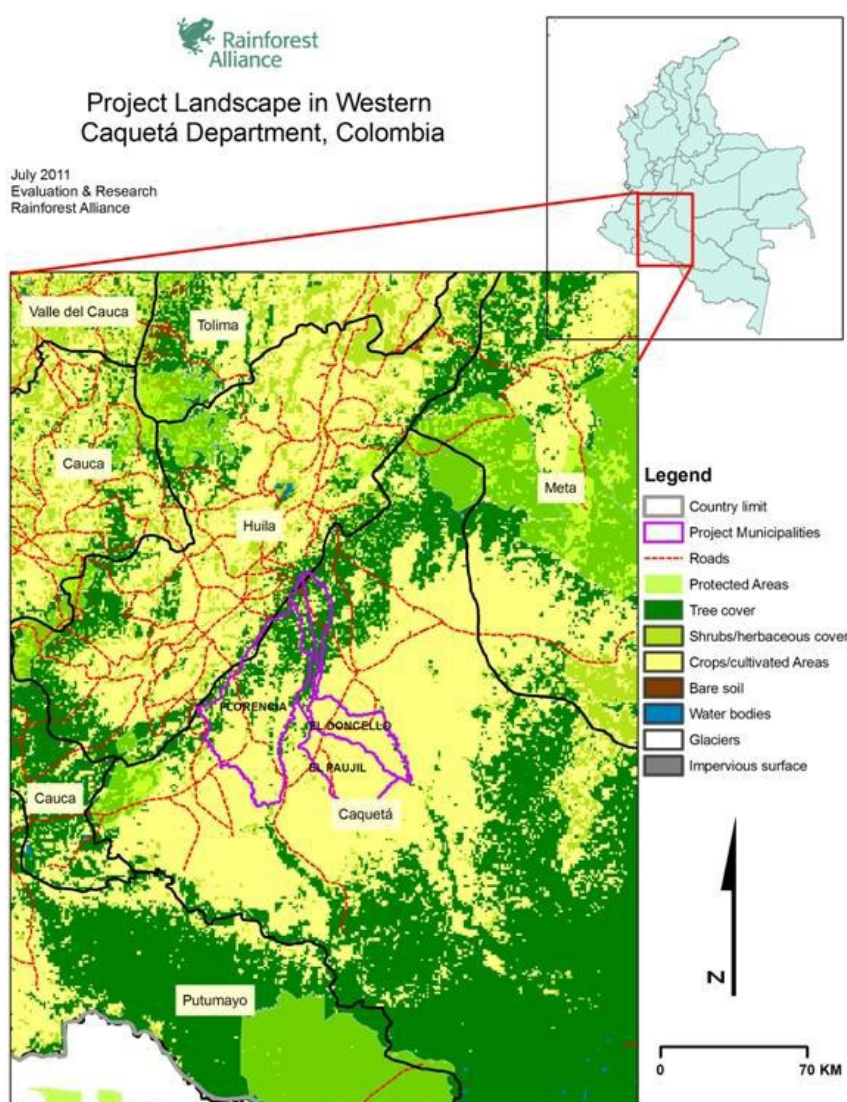
Progress

- The scope of work for the Environmental Assessment has been developed and a qualified candidate to carry out the consultancy in Peru and Ecuador has been identified. The consultancy will be carried out beginning in May.
- Several members of RA and partner AIDER attended the gender workshops put on by the ICAA II support unit. The details of a scope of work for incorporating gender into the project activities were discussed with the support unit. We hope to begin the consultancy around May.

3 GEOGRAPHIC CONTEXT

Caquetá Landscape

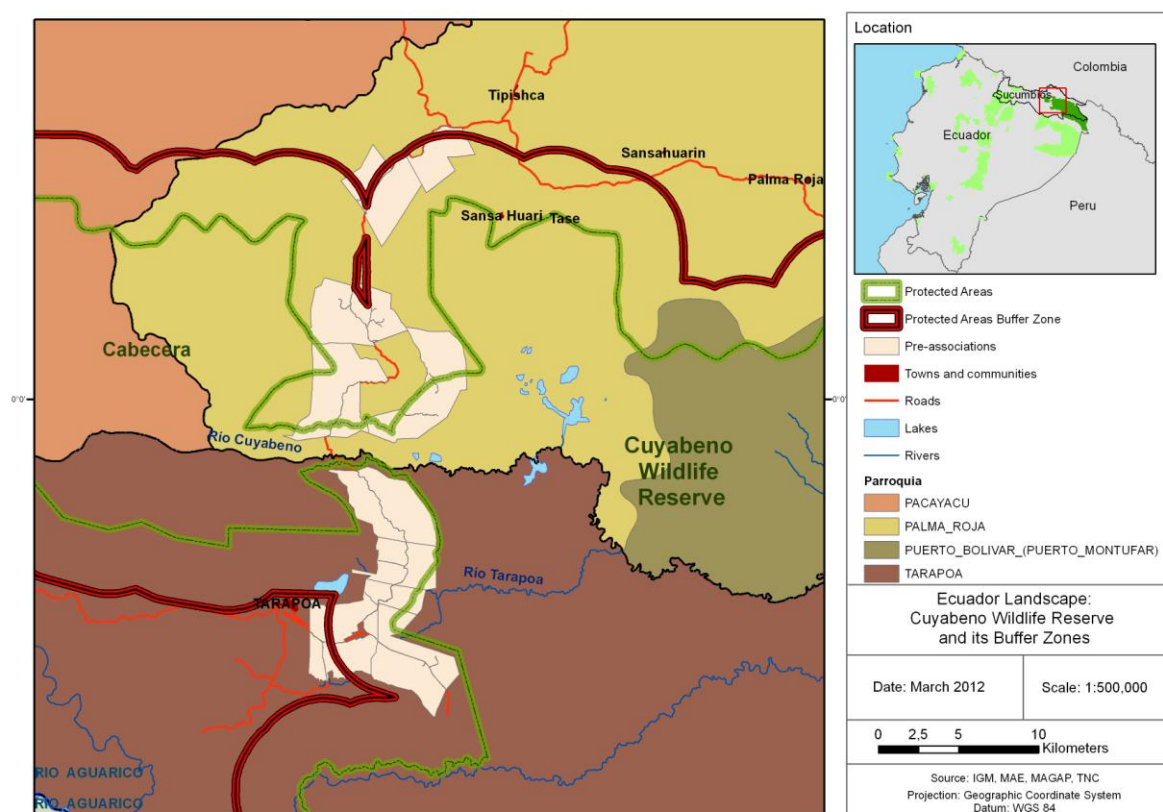
Project activities in the Department of Caquetá will focus on 470,000 hectares of Caquetá's western region, including the rural zones of the municipalities of Florencia, El Doncello and Pajuil and bounded by the municipalities of Morelia, Puesto Rico and Montañita. Deforestation occurs primarily through gradual degradation of smallholder forest parcels, driven largely by expansion of the agricultural frontier due to poorly managed conventional production systems, principally extensive cattle ranching that degrades soil and forage resources from year to year requiring additional land be cleared. Forest is most commonly converted to small-scale agriculture (coffee and cocoa for sale and corn, cassava, vegetables, fruit and milk for household consumption), cattle ranching, forestry operations, urbanization, or otherwise degraded as a result of land use change.



Sucumbíos Landscape

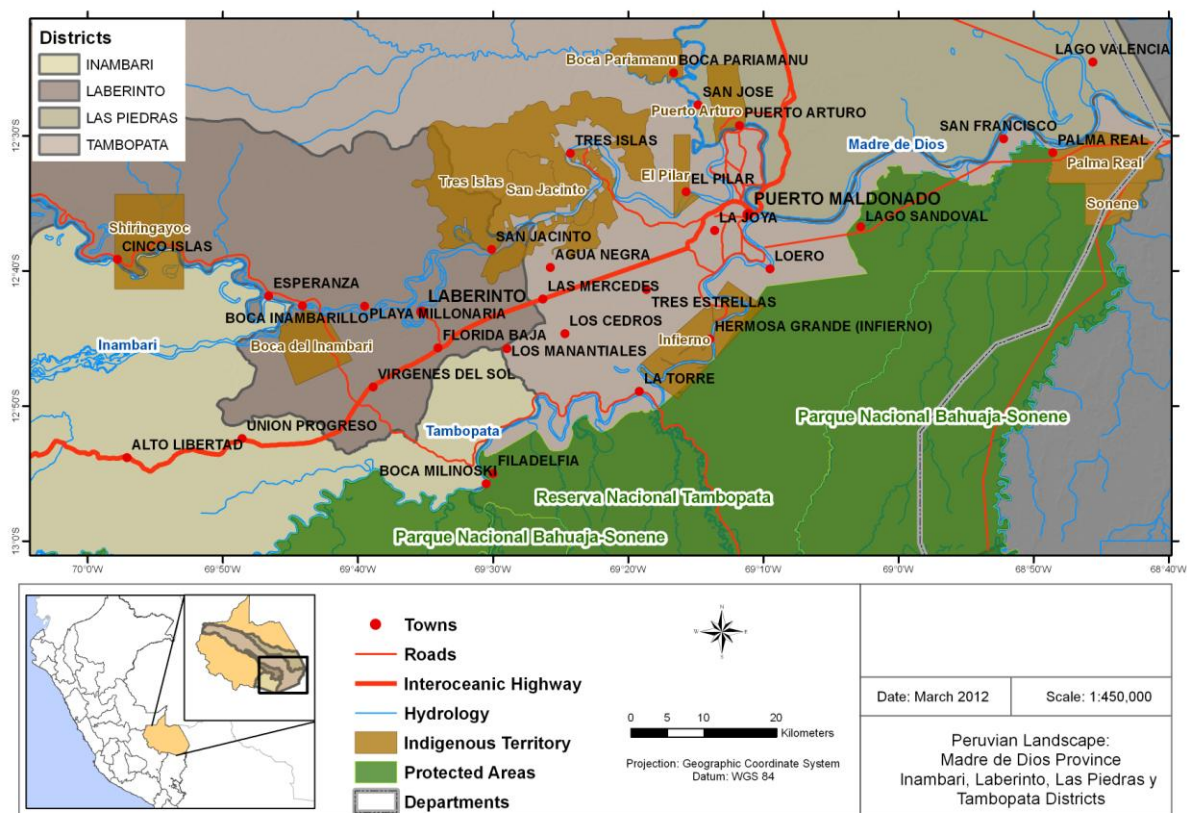
The NZDZ project is working in the buffer zone of Cuyabeno Wildlife Reserve located in the Sucumbíos province, the same area were RA and partners are working under ICAA II. The pre-associations selected for ICAA II are located in the Palma Roja parroquia, part of Putumayo canton and the Tarapoa parroquia in the Cuyabeno canton. The implementation of the specific activities for NZDZ will be realized in 25 to 30 farms within one of the following 10 pre-associations:

San José (Tarapoa), La Calumeña, 16 de Abril, Brisas de Cuyabeno, Flor de Oriente, 3 de Mayo, Tigre Grande, Nuevo Milenio, Unión Agrícola, Jaime Roldos.



Madre de Dios Landscape

The two communities we are working with are Tres Islas and Infierno, both located in the Tambopata province in the Madre de Díos region. Tres Islas is a community of 217 habitants and includes 32,000 ha, while Infierno has a communal area of 9,500 ha and approximately 600 habitants.



4 GOALS - CHALLENGES AND ACCOMPLISHMENTS

The main accomplishments during the period for all three landscapes were related to refining project activities through gaining an improved understanding of the landscape contexts, while also strengthening collaboration with government, NGO, and other stakeholders working in the areas. The activities carried out to achieve this are outlined in the landscape sections below.

Some of the primary accomplishments from the October, 2011-March, 2012 period include:

- Executing multiple field visits and site assessments to enhance understanding of local contexts, challenges, opportunities and key stakeholders, and refine and improve project approaches in each landscape;
- Enhancing existing and developing new partnerships with local, regional and national government agencies and other key stakeholders – principal amongst these TNC – to maximize resources and harmonize approaches to supporting scalable frameworks for net zero deforestation in the project areas; and
- Aligning the project's approaches across all three landscapes by supporting knowledge transfer, sharing experiences and approaches, and preparing/delivering technical workshops on thematic areas common to all landscapes such as participatory MRV and best management practices (BMPs) to mitigate climate change and avoid deforestation from agricultural and forestry activities.

The specific activities we carried out to achieve these are described in each landscape section that follows.

4.1 Tri-national level

We are heavily invested in harmonizing and coordinating approaches across the three project landscapes to enable cross-boundary knowledge sharing, maximize project results, and deliver NZDZ as a common, unified initiative across the Andean Amazon. In this period, we laid a sound foundation for coordinated implementation across the three project landscapes through the following activities.

- On March 1-2, 2012 we held the first agriculture and forestry best management practices (BMP) and Sustainable Agriculture Network (SAN) Climate Module training in Quito, Ecuador for NZDZ local coordinators from the three countries, new RA TREES staff, RA NZDZ management as well as technicians from our three landscapes partners. As result of this workshop, potential productive activities were identified in each landscape in accordance with the NZDZ conceptual and logic framework that provide incentives for reducing deforestation and take advantage of RA and partner tools and previous experiences in other countries.

- Next steps from BMPs workshop in Quito included our efforts to ensure knowledge-transfer and sharing lessons learned from other REDD+ projects. In this context, online webinars and meetings were organized between the NZDZ team and RA colleagues from REDD+ projects in Central America (GuateCarbon, HonduCarbon, M-REDD in México,

Forest, Carbon, Communities Alliance - FCCA in Honduras) and Ghana. We will continue to hold webinars on specific relevant REDD+ topics to keep strengthening these links.

- Finally, on April 17-19, the first regional MRV workshop will take place in Bogota, Colombia. The objective of this workshop is to standardize methodologies around NZDZ participatory MRV approach, disseminate lessons learned from other similar REDD+ projects and align our approach to national and/or sub national MRV processes in Colombia, Ecuador and Peru. Government officials from these countries, SilvaCarbon, NZDZ partners and RA staff will participate in this workshop. Part of preparatory activities for this workshop include the development of a background paper on MRV basic concepts, international context, case studies, MRV applications for productive activities, NZDZ MRV approach based in communities, and MRV national process description in each country.

4.2 Caquetá Landscape, Colombia

In February 2012, project partner Fundación Natura (FN), USAID and TNC introduced the NZDZ initiative to the Colombian Ministry of Environment, who is charged with the development and oversight of forest management and REDD policy and, as such, it is vital that we work hand-in-hand to inform the development of policy and regulatory instruments that reinforce sustainable land management as a platform for net zero deforestation efforts. The meeting was well received, with FN and TNC committing to maintain the Ministry abreast of project developments and collaborative opportunities. Further, the Ministry has invited us to participate in a nascent initiative entitled “the Amazonian Climate Node (Nodo Climático de la Amazonía)”, next August, which will be an important forum for us to disseminate NZDZ project accomplishments and strategies to inform emergent climate policy. The outreach to the Ministry of Environment helps us lay the groundwork for future coordination on policy-related issues, and the Ministry will be an important target audience for disseminating project accomplishments and co-developing/adapting interventions over the life of project.

Meetings between FN and local governments (Regional Government of Caquetá and Local Government of Paujil) took place in February and March to introduce and socialize NZDZ project activities in the region to support local development efforts such as the Local Development Plan. Key themes of discussion included: livestock restructuring, climate change mitigation, SAN agriculture and sustainable livestock guidelines implementation, agro forestry systems and net deforestation rate reduction. A good level of acceptance from local governments and increased interests on the NZDZ project results have provided a good opportunity to include our experience in regional climate policies and ensure scalable and replicable NZDZ activities in other regions. Next steps include internal planning reunions to define specific pilot areas, selection of beneficiaries and critical conditions to develop NZDZ project in the local area. The outreach to local governments helps us lay the groundwork for future coordination on local policy-related issues, and the local governments themselves will be an important target audience for disseminating project accomplishments and co-developing/implementing interventions over the life of project.

FN also introduced the NZDZ project activities to academia and civil society groups (University of Amazonia, NESTLE, Centro Internacional de Agricultura Tropical (CIAT), SINCHI, Comité de Ganaderos del Caquetá, UGAA, SERVAF S.A., and CORPOAMAZONIA territorial). Many of these institutions showed interests in collaborating through joint implementation with their initiatives in the region, including

through research, professional internships, technical assistance in the field work and formal agreements (*convenios*) for working together. University of Amazonia and CIAT are invited to participate in the first regional MRV workshop in Bogota. Anticipated results from this collaboration include greater impact in the field, active participation and contribution from the private sector as well as dissemination of lessons learned in the academia, civil society and producers' organizations.

In terms of challenges confronted, the adequate and specific definition of NZDZ pilot zones constitutes a challenge to be addressed through the revision of existing information and collection of additional complementary together with local stakeholders.

4.4 Sucumbíos Landscape, Ecuador

On January 12, CONDESAN, TNC and RA introduced the NZDZ project to Ecuador Ministry of Environment (MAE). The MAE representatives responded positively and were in agreement that the proposed activities were in line with their forest governance model and National REDD+ Program within the National Climate Change Strategy. Identification of specific mechanisms of communication and interaction between NZDZ Project and MAE were requested by MAE representatives. It is important to mention MAE has increased its participation and public policy actions related to climate change in the last five years. This active policy action has empowered them among other Ministries to include climate change issues in the National Government Agenda. Ecuador is also one of the first countries in Latin America and the Caribbean to implement REDD+ social and environmental safeguards through the National Socio Bosque Program as pilot experience before including these standards in the REDD+ National Program. The Climate, Community and Biodiversity Alliance (CCBA) is helping to guide and support this process.

On March 2012, meetings between CONDESAN and the Climate Change Sub-Secretary at MAE took place to get information related to the MRV process progress in Ecuador. This official information will be shared in the MRV regional workshop to be held in Bogota on April 17-19. Even though NZDZ Project invited a representative of MAE to this MRV workshop, there is no positive response from MAE up to date.

Similar to Colombia, the outreach and good relationship with the Ministry of Environment helps us lay the groundwork for future coordination on policy-related issues, and the Ministry will be an important target audience disseminating project accomplishments and co-developing/adapting interventions over the life of project.

We also met with the mayors of both of the municipalities found within the project intervention areas, Cuyabeno and Putumayo to discuss the project. Both were supportive of the project working within their jurisdictions.

The main challenge faced during the reporting period was ensuring that proposed activities are in line with both local, regional, and national government initiatives, and other donor initiatives, including USAID, in the project intervention areas. Even though there is a delicate political situation between USAID and MAE, it is our hope these differences will be overcome in the near future and we will be able to get MAE support for NZDZ activity implementation. In the meanwhile, we are advancing with technical decisions and coordination with other NZDZ implementers as well as ICAA II teams, implementers and partners.

We carried out a several field visits to analyze the forestry and agriculture interventions principally in the CWR buffer zone to identify potential pre cooperatives to participate in the project. Approximately 30 groups were visited, out of which we will work with ten. Selection criteria include level of organization, forest cover, and land use, potential for forest management and conservation, and geospatial distribution. Also, in coordination with NZDZ partners in Ecuador, the first year work plan has been adjusted at the subactivity level, targets, indicators and budget.

After finishing this selection process, next steps include the selection of 25 to 30 farms organized under one pre cooperative to implement the NZDZ activities and develop an action plan with potential beneficiaries.

4.5 Madre de Dios/Cusco Landscape, Perú

On March 7th, USAID, TNC and RA formally introduced the NZDZ Project to the high level management of Peru Ministry of Environment (MINAM). Based on this presentation, different agreements of cooperation, complementary efforts and support challenges were identified, particularly for the REDD+ and Climate Change Strategy in the Amazon region. The meeting was well received, with RA and TNC committing to hold monthly meetings with MINAM staff to keep them abreast of project developments and collaborative opportunities. Further, the Ministry designated the National Programme for Forest Conservation and Climate Change Mitigation (PNCB) leadership as points of contact for climate change and REDD+ activities. This will be an important space for disseminating NZDZ project accomplishments and strategies to inform emergent climate policy.

Also, we held several meetings with the government's Regional MRV Technical Assistant of REDD+ in Madre de Dios to exchange information related NZDZ and the MRV process in Peru and Madre de Dios. The representative has also been invited to participate in the upcoming MRV workshop on April 17-19 in Bogota.

Also at the regional level, we held meetings and dialogues through workshops with the Natural Resources Management division of the Regional Government of Madre de Dios (GOREMAD) to identify key activities to strengthen regional government capacity and governance efforts. In February, RA participated in a meeting with the presidents of Amazonian regional governments organized through the Amazonian Interregional Council (CIAM), along with representatives and partners from USAID, the Ministries of Agriculture and Environment, and the Envoy and the US Department of State Deputy for Climate Change. This meeting allowed for the development of proposals related to efforts for climate change mitigation and possibilities for funding in the near future.

Given the nested approach for the REDD+ process in Peru and political issues around illegal and informal mining in Madre de Dios region, it was very important to introduce NZDZ project to both national and regional levels of government. In the case of GOREMAD, we identified that governance efforts focused on natural resources management should be strengthened to address drivers of deforestation from other economic activities, and its leadership in the REDD+ regional roundtable will allow us to disseminate lessons learned and results from NZDZ implementation. On the other hand, we identified that the national government efforts to coordinate regional policies aligned with national policies on climate change should also be strengthened as an effective intervention through public policies on climate change issues.

For these reasons, both, regional and national governments are important for future coordination on policy-related issues and are an important target audience to disseminate project accomplishments and co/develop interventions over the life of project. Thus, we will be required to maintain a good relationship with MINAM by collaboratively supporting their initiatives and building a relationship based on confidence with GOREMAD to reinforce and support their natural resource governance initiatives. At both levels, concrete results and dissemination of lessons learned will contribute to their policy-making process on climate change issues.

NZDZ Peru team (AIDER and RA) held meetings with the World Wildlife Fund (WWF) in Madre de Dios and Lima to identify opportunities for partnerships with projects in communities supported by the Asociación Forestal Indígena de Madre de Dios (AFIMAD), including the sharing of technical and budgetary resources in the design of REDD+ components. Next steps include the design of a memorandum of understanding between RA and WWF that will include specific activities and an action plan. We will also be required to identify similar areas of collaboration with other initiatives and implementers in Madre de Dios since this region has received an increasing amount of international cooperation support over last 10 years. To face this challenge, we are coordinating and identifying opportunities for collaboration to complement efforts and increase our impact in the field as well as to include NZDZ and similar initiatives in the regional climate policy discussions. For instance, we are coordinating with WWF, Bosques Amazonicos, MINAM, SPDA and other development institutions to carry out the first SES REDD+ workshop in Madre de Dios by midyear 2012 by preparing a set of activities to introduce analytical products for technical discussion.

AIDER and RA participated in three field visits in December 2011, January and February 2012 with the following communities: Infierno, Florida Baja, Nueva Arequipa, Loero, Jorge Chavez, El Progreso and Asociacion de Productores de Filadelfia. The objective of these visits was to identify potential communities to be included in the NZDZ initiative. As a result of these field visits, the Infierno and Tres Islas native communities were selected to be pilots for NZDZ in Madre de Dios region. Activities related to the selected native communities include the socialization and revision of management documents from Infierno and Tres Islas, which allowed the project to compile secondary information regarding the main drivers of deforestation faced by each community, and potential economic activities and incentives for reducing net deforestation in each community.